

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE  
AUTHORITY (KEDFA)**

**APPLICATION**

**FOR**

**ECONOMIC DEVELOPMENT BONDS (EDB)**

**June 2008**

## INSTRUCTION SHEET

The following information must be provided with the EDB Application. If this information is not provided, please explain why in the margin next to the particular item.

The application(s) should be mailed to:

### Kentucky Economic Development Finance

#### Authority

Old State Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601  
502/564-4554 Fax: 502/564-7697

#### Important Note:

If you are expanding an EXISTING business, you must notify the appropriate regional office of your intent to file this application. A project manager will be assigned to assist you in any matters concerning the Kentucky Cabinet for Economic Development.

Central Kentucky Office  
2300 Capital Plaza Tower  
500 Mero Street  
Frankfort, KY 40601  
(502) 564-5891  
(800) 847-4251

East Kentucky Office  
P. O. Box 49  
530 South Lake Drive  
Prestonsburg, KY 41653  
(606) 889-1767  
(800) 928-0169

West Kentucky Office  
145 East Center Street Suite 2B  
Madisonville, KY 42431  
(270) 824-7053  
(800) 928-9200

If you are a NEW business locating in Kentucky, you must notify the Department for New Business Development. A project manager will be assigned to assist you in any matters concerning the Kentucky Cabinet for Economic Development.

Department for New Business Development  
Old State Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601  
(502) 564-7140

1. TWO COMPLETE APPLICATIONS (WITH ATTACHMENTS) must be received by KEDFA on the last Friday of the month in order to be considered for the KEDFA board meeting the following month.

Upon approval of electronic draft, two hard copies will follow in US Mail.

2. A list of the equipment being purchased with this project and the projected cost of this equipment.

***Capital Expenditure Summary for 2008 Equipment and Project Upgrades \$1,226,000***

\$ 60	West Plant Rack Dumper for Dust Control
80	HEPA Filters and Controllers
16	Crush Strength Tester
38	Hood and 2 test units for Olefin Lab
100	Oxo - Aldehyde Hydrogenation Test Unit
14	Particle Size Analyzer
1	Optical Microscope with Camera
14	R3 Eirch Mixer (Pilot Plant)
15	West Quality Control Single-point Surface Area Analyzer
40	Dynamic Light Scattering Particle Size Analyzer
7	Rotational Evaporator (Prep lab)
6	Mass flow controller (Prep lab)
16	Ultra Violet / Visible Spectrometer (prep lab)
10	Mix Muller
25	Upgrade existing tail end test unit # 126-21
78	Sour Gas Shift test unit up-grade
4	Gas Chromatograph for Coking Unit
19	Upgrade Gas Chromatograph-Mass Spectrometer
8	Upgrade Bonnot Extruder SPP
5	Oxygen Analyzer for Fluid Bed Stabilizer
5	Oxygen Analyzer for Olemax Test
94	Environmental Upgrade for South Plant – Rack Dumper, Dust Collector & HEPA Filter; Metal Dip Dust Collector & HEPA Filter
327	High volume Tab Machine - Fuel Cell
20	Feed Screw for Bldg 20 Rotary
125	C84 South System Dust Collector
92	Green Cat Waste Water Free Reactor Unit
7	Littleford Mixer Temperature Controllers
\$1,226,000 Total	

**3. Current financial statements.**

The latest financial reports are attached (2 Pages). The reports for 2007 are scheduled to be completed at the end of June.



Financials for KED  
App.pdf

4. **Disclosure Statement (see attached).**
5. **Resolution from all participating counties or cities. Resolution must be adopted by fiscal court or city council.**

Rev. 08/12/2005

# Application for EDB Program

## For Office Use Only

\_\_\_\_\_ Department for New Business Development

\_\_\_\_\_ Department for Existing Business  
Development

Application Number \_\_\_\_\_

\_\_\_\_\_  
Date of Application

### 1. Company/Business Information

Corporate Name/Business Name

**Süd-Chemie Inc.**

Street or P. O. Box

**1600 West Hill Street**

City

**Louisville**

County

**Jefferson**

State

**Kentucky**

Zip Code

**40210**

Contact Person

Title

Telephone

Fax

**Richard Power** **Community Relations, Lands & Contracts Manager** **502.634.7325** **502.634.7491**

E Mail Address

**Richard.power@sud-chemie.com**

Organization:

☐ Corporation ☐ Subchapter S ☐ **Subchapter C XX** ☐ Partnership ☐ Proprietorship  
☐ Limited Liability Partnership ☐ Limited Liability Corporation

Date Business Established: **1957** \_\_\_\_\_ Company's Fiscal Year End: **Dec. 31** \_\_\_\_\_

State of Corporation: **Delaware** \_\_\_\_\_ Date Incorporated: **10-09-57** \_\_\_\_\_

Registered Agent Name/Address/Phone Number:

**The Corporation Trust Center 1209 Orange Street Wilmington, DE 19801 Phone 302.658.7581**

2. **Project Name and Address:** *List entity applying for tax incentives from this project, if different from company/business/project location name listed above.*

Company Name N/A				
Street or P. O. Box	City	County	State	Zip Code
Contact Person	Telephone	Fax		
Federal Employer ID Number	Kentucky Employer ID Number	SIC Code		
E Mail Address				

**Organization:**

☐ Corporation   ☐ Subchapter S   ☐ Subchapter C   ☐ Partnership   ☐ Proprietorship  
☐ Limited Liability Partnership   ☐ Limited Liability Corporation

Date Business Established: \_\_\_\_\_ Company's Fiscal Year End: \_\_\_\_\_  
State of Corporation: \_\_\_\_\_ Date Incorporated: \_\_\_\_\_  
Registered Agent Name/Address/Phone Number: \_\_\_\_\_

**Optional**

☐ Y ☐ N Franchise   ☐ Y ☐ N Minority   ☐ Y ☐ N Union   ☐ Y ☐ N Women Owned  
☐ Y ☐ N Vietnam Veteran

3. **Type of Business:** *Detail description of business activity to occur at project.*  
**SCI Products**

SCI maintains two manufacturing sites in Louisville, several catalyst plants and three laboratories. More than 60 scientists and highly skilled technical personnel make up the company's diverse Research & Development Department. These individuals work on projects ranging from new catalyst development to expanding the capabilities of more than 200 catalysts now produced by SCI.

Expansion plans in SCI R&D in Louisville over the next 3 - 5 years include increasing manpower, adding R&D equipment, and increasing focus in the following SCI core business groups:

- Petrochemicals – SCI catalysts enable the production of ethyl benzene, xylene, solvents and styrene (used for Styrofoam )
- Chemicals – SCI Catalysts facilitate production of methanol for fuel, hydrogen for many applications, and ammonia for the fertilizer industry
- Refinery – Refinery catalysts are used in the production of gasoline, diesel fuel, and in gas to liquids (GTL) and coal to liquids (CTL) technology.
- Olefins – SCI Olefin Catalysts are used in the production of polyethylene, plastic food wrap, and in textiles including automobile seat cover fabrics, clothing, and in the carpet industry.
- Fuel Cell – SCI fuel cell catalysts are used to purify fuels and derive hydrogen used as feed stock for the production of electricity and heat in fuel cells.

4. Have either of the above parties previously participated in other Kentucky incentive programs?

☒ Y ☐ N

If yes, please indicate program, location, amount, and approximate date:

1995 -  
\$10,000,000 In 1995 the company applied and was  
approved for a KIDA KY Taxable Income Tax Incentive of  
\$10,000,000, (Facility ID #1806) for 10 new jobs (Form 5449).

**5. Company Ownership:** *Please identify the major owners of the company. Include all owners with 5% or more interest in the company. For subsidiaries, identify owners of the parent company; for a public company, indicate publicly traded.*

Name	Address	Phone	Social Security Number	Percent (%)
------	---------	-------	------------------------	-------------

Parent Company is Süd-Chemie AG, # 6 Lenbach Platz, Munich Germany – Stock in SCAG is publicly traded on the Munich Stock Exchange. One Equity Partners holds 51% of SCAG.				

**6. Person Reviewing Legal Documents:**

Company Attorney Ms. Marian Harding Cochran	Contact Person
--	----------------

Street or P. O. Box 1600 West Hill Street	City Louisville	State Kentucky	Zip Code 40210
--	--------------------	-------------------	-------------------

Telephone 502.634.7237	Fax 502.634.7491
---------------------------	---------------------

E Mail Address Marian.cochran@sud-chemie.com
---

**7. Primary Bank:**

Primary Bank Fifth-Third Bank	Contact Person Mike Gifford
----------------------------------	--------------------------------

Street or P. O. Box 401 South 4 <sup>th</sup> Avenue	City Louisville	State Kentucky	Zip Code 40202
---	--------------------	-------------------	-------------------

Telephone 502.562.8215	Fax 502.562.5540
---------------------------	---------------------

E Mail Address Michael.gifford@53.com
--



8. Project Lender:

Primary Bank N/A		Contact Person	
Street or P. O. Box	City	State	Zip Code
Telephone	Fax		
E Mail Address			

9. Accountant:

Accountant Ernst & Young		Contact Person Jim Tencza	
Street or P. O. Box 400 West Market Street	City Louisville	State Kentucky	Zip Code 40202
Telephone 502.585.1400	Fax 502.584.4221		
E Mail Address James.tencza@ey.com			

10. Expansion Project Information: *Complete this section only if the project involves the expansion of an existing Kentucky facility.*

Is the project an expansion of an existing operation? ☒ Y ☐ N

If yes, does the project involve a relocation from an existing facility? ☐ Y ☒ N

Please explain:

Does the project involve additions or renovations to an existing building? ☐ Y ☒ N

Present acreage \_\_\_\_\_ Acreage      Increased new acreage \_\_\_\_\_ Acreage  
Present square footage \_\_\_\_\_ Sq Ft      Increase square footage \_\_\_\_\_ Sq Ft

If you own the site, indicate: \_\_\_\_\_ Date of Purchase \_\_\_\_\_ Purchase Price

Is there a mortgage ☐ Y ☒ N ? If yes, who holds the mortgage and what is the current balance of the mortgage?

Mortgage Holder

N/A

If you lease the site, indicate owner of property:

Owner of Property

Lease Terms: *List terms, i.e. monthly rent and length of lease (Provide copy of lease, if available)*

Existing lease terms:

Lease terms after expansion (if different):

Is there an option, or contract to purchase the property?

☐ Y ☐ N Option  
☐ Y ☐ N Contract

If yes, please explain and attach option or contract:

11. New Location Information: *Complete this section if the project constitutes a new location for the applicant.*

Project Site: \_\_\_\_\_ Acres

Building Size: \_\_\_\_\_ Square Feet

Purchase Price \_\_\_\_\_

Purchase Price \_\_\_\_\_

If the building is to be acquired, how long has the building been unoccupied? \_\_\_\_\_

Proposed Ownership \_\_\_\_\_

If lease, state terms of lease: *Provide draft lease, if available.*

12a. Project Financial Information

Estimated Project Costs

FIXED ASSETS

Land	_____ Acres	\$
Building (new construction/additions)	_____ Sq Ft	\$
Improvements (existing buildings)		\$
Equipment		\$1,226,000.00
Building Fixtures		\$
Other (describe)		\$
Fixed Assets Subtotal		\$
WORKING CAPITAL		\$
Total Project Costs		\$1,226,000.00

**12b. Proposed Project Financing**

	Amount	Percent of Fixed Asset Financing	Interest Rate	Payback Period	Projected Annual Debt Service
KEDFA	\$				\$
Bank	\$				\$
EDB	\$500,000.00	40.78%	N/A	N/A	\$N/A
Other (Specify)	\$				\$
Other (2) (Specify)	\$				\$
Equity	\$726,000.00	59.22%	N/A	N/A	\$N/A
Fixed Assets Total	\$1,226,000.0	100%			\$
<b>WORKING CAPITAL</b>					
Bank	\$				\$
Equity	\$				\$
Total Working Capital	\$				\$
TOTAL FINANCING	\$				\$

\_\_\_\_\_ Anticipated Project Construction Start Date

\_\_\_\_\_ Anticipated Project Completion Date

**List Contractor, if known:**

Contractor			
Street or P. O. Box	City	State	Zip Code
Telephone			
Fax			
E Mail Address			

13. Are there any similar businesses located within the same county? ☐ Y ☒ N  
If yes, please give the name and address of the business:

Business Name/Address

A Search of the Local Yellow Pages and Computer Search on Google.com did not show any additional catalysts manufacturing companies in Louisville.

14. Employment Projections

	Full Time	Part Time	*Full Time Equivalents of Part Time
Current Numbers of jobs at project location	351	-0-	-0-
New jobs to be created	20	-0-	-0-
Total number of jobs projected two years after project completion	371	-0-	-0-
Number of jobs retained because of project	351	-0-	-0-

- If part time employment is being created, please also indicate full time equivalents using 2,080 hours as the standard. Without this information, part time jobs will not be used in the calculation of jobs.

Category of jobs to be created (state number of jobs in each category):

Job Category	Number of Jobs	Average Hourly Wage *	Average Annual Wage *
Skilled		\$	\$
Semi-Skilled		\$	\$
Unskilled		\$	\$
Managerial	3	\$	\$
Technical	17	\$	\$

- Gross Wages Exclusive of Benefits

15. Employment Benefits

Will the company provide benefits as part of the compensation package? ☒ Y ☐ N

Will all employees be covered in the benefit plan? ☒ Y ☐ N

What is the value of the benefit package as a percent of wages or salary? % 35

Indicate the company and employee contribution percentages of the following , if applicable:

	% Company	% Employee		% Company	% Employee
Life Insurance	100%	-0-	401K	100% up to 3%; 50% of next 2% (Company contributes up to 4% total)	Employee receives company match up to 4% on employee contribution of 5%
Health Insurance	80%	20%	Other Retirement (Defined Benefit Plans)	100%	-0-
Disability Insurance	100%	-0-	Profit Sharing	N/A	N/A
Dental Insurance	50%	50%	Paid Vacation	100%	-0-
Stock Purchase	N/A	N/A	Paid Sick Leave	100%	-0-
Other: Vision	-0-	100%	Other: N/A	N/A	N/A

16. Certification of Application

**Please note: Eligibility for financial assistance is determined by the information presented in this application and in the required attachments. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including, but not limited to, the commencement of the construction. Please contact the staff of the Authority before taking any action which would change the status of the project as reported herein.**

**Certification: I hereby represent and certify that the foregoing information, to the best of my knowledge, is (a) true, complete and accurately and fairly describes the proposed project for which financial assistance is sought; and (b) does not contain any information for which an entity competing with the applicant may claim a proprietary interest. I further certify that to the best of my knowledge and based upon due inquiry, neither I, nor any of the proposed guarantors or officers, directors or principals associated with the applicant are or were at the time of this application, directors or officers of, or otherwise have a fiduciary duty toward, an entity that is or may be in competition with the applicant. As used herein, applicant shall include any person or entity which is guarantying any proposed loan.**

**The undersigned, on behalf of the applicant, acknowledges that even though the information contained in this application, or which may hereafter be communicated to the authority, contains confidential and proprietary information, it may be subject to public disclosure to the extent required by law pursuant to any request made pursuant to the Kentucky Open Records Act, Chapter 61 of the Kentucky revised statutes. In addition, the applicant acknowledges and agrees this application will be released to the local jurisdiction(s) where the project is intended to be located. Notwithstanding the above, except as otherwise agreed to by the applicant in writing, no confidential or proprietary information shall be disclosed if properly excluded from disclosure under KRS 61.878 (as determined by the Authority, the Kentucky Attorney General, or Court of Competent Jurisdiction).**

---

*Signature*

---

*Signature*

---

*Print Name*

---

*Print Name*

---

*Title*

---

*Title*

---

*Date*

---

*Date*

## **ECONOMIC DEVELOPMENT BONDS (EDB)**

### **GRANTEE INFORMATION**

**Please return to:** Department of Financial Incentives  
ATTN: EDB Program  
Cabinet for Economic Development  
Old State Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601

**Project Name:** \_\_\_\_\_

**Project Amount:** \$ \_\_\_\_\_

**A Resolution adopted by the governing body of the Grantee, requesting this grant and authorizing the execution of the Grant Agreement with the Economic Development Cabinet must accompany this application.**

#### **I. GRANTEE INFORMATION:**

**Grantee:**

Legal Name of Grantee
-----------------------

Street or P. O. Box	City	County	State	Zip Code
---------------------	------	--------	-------	----------

Telephone	Fax
-----------	-----

E Mail Address
----------------



**Chief Executive Officer:**

**Legal Name of Chief Executive Officer**

**Title of Chief Executive Officer**

**Name of Contact Person**

**E Mail Address**

**1. Legal Counsel:**

**Legal Counsel**

**Contact Person**

**Street or P. O. Box**

**City**

**County**

**State**

**Zip Code**

**Telephone**

**Fax**

**E Mail Address**

**II. LOCAL AGENCY'S INFORMATION:**

1. Will grantee assign the proceeds to a local agency? ☐ Y ☐ N

2. Agency Name:

Local Agency's Legal Name		Contact Person		
Street or P. O. Box	City	County	State	Zip Code
Telephone		Fax		
E Mail Address				

**Individual Executing Documents:**

Legal Name of Individual Executing Documents
Title of Individual Executing Documents

3. Local agency is organized as:

- ☐ Public properties corporation under KRS 58.180  
☐ Industrial development corporation under KRS 154.50.316  
☐ Nonprofit corporation under KRS Chapter 273  
☐ Other \_\_\_\_\_

#### 4. Legal Counsel

<b>Local Agency's Legal Counsel</b>		<b>Contact Person</b>		
<b>Street or P. O. Box</b>	<b>City</b>	<b>County</b>	<b>State</b>	<b>Zip Code</b>
<b>Telephone</b>		<b>Fax</b>		
<b>E Mail Address</b>				

**Certification:** I hereby represent and certify that the foregoing information to the best of my knowledge is true and complete and accurately and fairly describes the proposed project for which financial assistance is required.

\_\_\_\_\_  
*Local Official Signature*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Date*

Rev. 5/1/2005

**ATTACHMENT B**  
**CABINET FOR ECONOMIC DEVELOPMENT**  
**ECONOMIC INCENTIVE DISCLOSURE STATEMENT**

**INSTRUCTIONS:** This Economic Incentive Disclosure Statement is required in order to process your economic incentive package with the Kentucky Cabinet for Economic Development. In accordance with the Executive Branch Code of Ethics, Chapter 11A of the Kentucky Revised Statutes ("KRS"), before any board or authority within or attached to the Cabinet for Economic Development takes final action on any contract or agreement by which a bond, grant, lease, loan, assessment, incentive, inducement, or tax credit is awarded, the beneficiary of such contract or agreement must file with the approving board or authority a disclosure statement stating (i) the identity of the beneficiary of the economic incentive package, (ii) the identity of any person employed to act on behalf of the beneficiary with respect to the economic incentive package, (iii) the details of any financial transaction (as defined in KRS 11A.201(5)(a) between the beneficiary (or any other person listed as an employee or agent of the beneficiary) and any agent or public servant of the Cabinet for Economic Development, any member of any board or authority within or attached to that Cabinet, or any other public servant involved in the negotiation of the economic incentive package.

**NOTE:** For purposes of KRS 11A.201(5)(a), "financial transaction" means a transaction or activity that is conducted or undertaken for profit and arises from the joint ownership, or the ownership, or part ownership in common, of any real or personal property or any commercial or business enterprise of whatever form or to the general public on the same terms.

**NOTE:** Final action on economic incentive packages will not be taken without receipt of this Economic Incentive Disclosure Statement. Upon final approval of the economic incentive package by the applicable board or authority, this Economic Incentive Disclosure Statement will be filed with the Executive Branch Ethics Commission and the Kentucky Economic Development Partnership. Beneficiaries of economic incentive packages are encouraged to consult with their legal counsel with respect to this Economic Incentive Disclosure Statement.

**Beneficiary's Legal Name:**

**Süd-Chemie Inc.**\_\_\_\_\_

**Type(s) of Economic Incentive Package(s):** **EDB Forgivable Loan**\_\_\_\_\_

**Please identify all employees or agents of the Beneficiary which have acted on behalf of the Beneficiary in its dealings with the Cabinet for Economic Development or any Board or Authority within or attached to the Cabinet for Economic Development (please attach separate sheet if additional room is needed):**

**Name & Title:** **Richard Power, Community Relations, Lands and Contracts Manager**

**Organization:** **Süd-Chemie Inc.**

Please detail any "financial transactions" between the Beneficiary (or any other person listed as an employee or agent of the Beneficiary) and (i) any agent or public servant of the Cabinet for Economic Development, (ii) any member of any board or authority within or attached to that Cabinet, or (iii) any other public servant involved in the negotiation of the economic incentive package (please attach separate sheet if additional room is needed):

1. Name of Agent or Employee of Beneficiary: N/A\_\_\_\_\_

Description of Financial Transaction: N/A\_\_\_\_\_

2. Name of Agent or Employee of Beneficiary: N/A\_\_\_\_\_

Name of Agent or Public Servant of Cabinet: \_\_\_\_\_

Description of Financial Transaction: \_\_\_\_\_

3. Name of Agent or Employee of Beneficiary: N/A\_\_\_\_\_

Name of Agent or Public Servant of Cabinet: \_\_\_\_\_

Description of Financial Transaction: \_\_\_\_\_

The undersigned, a duly authorized representative of the Beneficiary listed above, hereby certifies that the information set forth in this Economic Incentive Disclosure Statement has been reviewed, and is true and correct to the best of the knowledge of the undersigned.

Signature: \_\_\_\_\_

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
Title

Date: \_\_\_\_\_